

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**

d/b/a DeSoto EMS  
Lagansport, Mansfield, & Stonewall, Louisiana

**ANNUAL FINANCIAL STATEMENTS****AS OF AND FOR THE YEAR ENDED JUNE 30, 2006**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-10-07

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
d/b/a DeSoto EMS  
Logansport, Mansfield, & Stonewall, Louisiana  
**ANNUAL FINANCIAL STATEMENTS**  
As of and for the Year Ended June 30, 2006  
With Supplemental Information Schedules

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**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
**d/b/a DeSoto EMS**  
**Logansport, Mansfield, & Stonewall, Louisiana**  
**ANNUAL FINANCIAL STATEMENTS**  
**As of and for the Year Ended June 30, 2006**  
**With Supplemental Information Schedules**

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**WILLIAM E. WEATHERFORD, CPA, LLC**  
CERTIFIED PUBLIC ACCOUNTANT

**INDEPENDENT AUDITOR'S REPORT**

Bryant Yopp, Chairman  
and the Board of Commissioners  
DeSoto Parish Ambulance Service District  
d/b/a DeSoto EMS  
Mansfield, Louisiana

I have audited the accompanying financial statements of the governmental activities and the major fund of the DeSoto Parish Ambulance Service District (d/b/a DeSoto EMS), Mansfield, Louisiana, a component unit of the DeSoto Parish Police Jury, as of and for the year ended June 30, 2006, which collectively comprise the DeSoto Parish Ambulance Service District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the DeSoto Parish Ambulance Service District's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the DeSoto Parish Ambulance Service District, as of June 30, 2006, and the respective changes in financial position for year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 29, 2006, on my consideration of the DeSoto Parish Ambulance Service District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of my audit.

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The management's discussion and analysis and budgetary comparison information on pages 6 through 10 and 29, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

*William E. Weatherford, CPA, LLC*

William E. Weatherford, CPA, LLC  
Certified Public Accountant  
Shreveport, Louisiana  
December 29, 2006

## **Required Supplemental Information (Part I)**

# **DESOTO PARISH AMBULANCE SERVICE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2006

Our discussion and analysis of the DeSoto Parish Ambulance Service District's (doing business as DeSoto EMS) financial performance provides an overview of the DeSoto Parish Ambulance Service District's financial activities for the fiscal year ended June 30, 2006. The District's financial statements are presented under the reporting models required by the Governmental Accounting Standards Board Statement No. 34.

## **FINANCIAL HIGHLIGHTS**

The DeSoto Parish Ambulance Service District's net assets increased by \$76,238 or 8%.

The DeSoto Parish Ambulance Service District's total general revenues were \$1,283,995 in 2006 compared to \$1,327,277 in 2005.

During the year ended June 30, 2006, the DeSoto Parish Ambulance Service District had total expenses of \$1,207,777 (which includes \$101,021) in depreciation.

An additional ambulance was acquired for a cost of \$77,169. No new debt was issued.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This Management's Discussion and Analysis document introduces the Ambulance District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements.

The DeSoto Parish Ambulance Service District was determined to be a component unit of the DeSoto Parish Policy Jury. The Jury is financially accountable for the district because it appoints or ratifies a voting majority of its board and has the ability to impose its will on them. The accompanying financial statements present information only on the funds maintained by the DeSoto Parish Ambulance Service District.

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the DeSoto Parish Ambulance Service District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 16. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the DeSoto Parish Ambulance Service District's operation in more detail than the government-wide statements by providing information about the DeSoto Parish Ambulance Service District's most significant funds.

The Statement of Net Assets and the Statement of Activities on pages 13 and 14 report information about the funds maintained by the DeSoto Parish Ambulance Service District as a whole and about its assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the DeSoto Parish Ambulance Service District's net assets and changes in them.

**DESOTO PARISH AMBULANCE SERVICE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2006

Currently the EMS has only governmental activities that provide for personnel services, medical supplies, repairs and maintenance, occupancy expenses, and other costs related to the proper administration of the District's ambulance services. Ambulance fees and ad valorem (property) taxes finance these activities.

**FUND FINANCIAL STATEMENTS**

The fund financial statements begin on page 16 and provide detailed information about the most significant funds maintained by the DeSoto Parish Ambulance Service District – not the DeSoto Parish Ambulance Service District as a whole. The DeSoto Parish Ambulance Service District's governmental funds use the following accounting approaches:

**Governmental funds** – All of the DeSoto Parish Ambulance Service District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the DeSoto Parish Ambulance Service District's general government operations and the expenses paid from those funds. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance certain DeSoto Parish Ambulance Service District expenses. We describe the relationship (or differences) between governmental activities reported in the Statement of Net Assets and the Statement of Activities and governmental funds in reconciliation Statements on pages 17 and 19.

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 21 of this report.

**OTHER INFORMATION**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the EMS's budget presentations. Budgetary comparison statements are included as "required supplementary information" for the general fund. This statement is a required schedule demonstrating compliance with the adopted and final revised budget. Required supplementary information can be found on page 29 of this report.



**DESOTO PARISH AMBULANCE SERVICE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2006

**FINANCIAL ANALYSIS OF THE DESOTO PARISH AMBULANCE DISTRICT AS A WHOLE**

The DeSoto Parish Ambulance Service District's total net assets changed from a year ago, increasing from \$908,554 to \$981,492. Our analysis below will focus on key elements of the total governmental funds for the June 30, 2006 year.

**NET ASSETS**

	Governmental Activities	
	2006	2005
Current and other assets	\$ 803,682	\$ 880,347
Capital assets	221,869	208,369
Total assets	<u>\$ 1,025,551</u>	<u>\$ 1,088,716</u>
Current liabilities	\$ 12,617	\$ 37,771
Long-term liabilities	31,442	142,391
Total liabilities	<u>\$ 44,059</u>	<u>\$ 180,162</u>
Net assets:		
Investments in capital assets, net of related debt	\$ 190,427	\$ 65,978
Unrestricted	791,065	842,576
Total net assets	<u>\$ 981,492</u>	<u>\$ 908,554</u>

Net assets of the DeSoto Parish Ambulance Service District's governmental activities increased by \$76,218 or 8%. The District has no restrictions on its net assets.

**CHANGE IN NET ASSETS**

	Governmental Activities	
	2006	2005
Revenues		
Program revenues		
Charges for services	\$ 513,573	\$ 617,752
General revenues		
Ad valorem taxes	722,739	680,460
Federal Grant	15,625	13,709
Miscellaneous revenues	14,345	8,763
Interest income	17,713	6,593
Total revenues	<u>1,283,995</u>	<u>1,327,277</u>
Expenses		
Public Safety-emergency medical services	1,113,769	979,929
Administrative	94,008	85,920
Total expenses	<u>1,207,777</u>	<u>1,065,849</u>
Increases in net assets	<u>\$ 76,218</u>	<u>\$ 261,428</u>

# DESOTO PARISH AMBULANCE SERVICE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2006

Total revenues decreased \$43,282 from total revenues in the year ended June 30, 2005 of \$1,327,277 to total revenues of \$1,283,995 in the year ended June 30, 2006. This decrease was due to a decrease in billing revenue.

The EMS is heavily reliant on ad valorem (property) taxes to support its operations. Property taxes provided 56% of the total revenues. Charges for services are for reimbursements from insurance companies—primarily Medicare and Medicaid. The ambulance service is at no cost to the parish residents.

As the District completed the year, its governmental funds as presented in the balance sheet on page 16 reported a combined fund balance of \$766,411, which is lower than last year's fund balance of \$842,576. Expenditures as reported on page 18 increased from \$1,083,091 for the year end June 30, 2005 to \$1,332,319 for 2006. This increase is caused by major purchases of capital assets unlike the prior year.

## BUDGETARY HIGHLIGHTS

The District adopted a budget for its General Fund for the year ended June 30, 2006. There was one amendment to the budget during the year. The District's budgetary comparison is presented as required supplementary information and shown on page 29. Highlights for the year are as follows:

- Revenues received were more than the budgeted amounts due to a higher amount of assessed ad valorem taxes received. Billing revenues were less expected. An ambulance was rented for use in the rescue efforts for Hurricane Katrina in New Orleans and another Homeland Security grant was received which boosted other revenues over budget.
- Expenditure budget amounts were adjusted upward to reflect the increase in personal services and related benefits. The new ambulance added later in the year necessitated an increase in capital outlays budgeted.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of June 30, 2006, the DeSoto Parish Ambulance Service District had invested \$221,870 in capital assets. (See table 3 below)

Table 3  
Capital Assets at Year End  
(Net of Depreciation)

	Governmental Activities	
	2006	2005
Ambulances	\$ 146,782	\$ 152,800
Medical equipment	24,299	35,718
Communications equipment	19,953	13,706
Other equipment	21,493	
Leasehold improvements	6,041	3,948
Billing software	3,300	2,197
Total	<u>\$ 221,870</u>	<u>\$ 208,369</u>

More detailed information about the capital assets are presented in Note 4 to the financial statements.

**DESOTO PARISH AMBULANCE SERVICE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2006

**Debt**

At year end, the EMS had a total of \$31,442, in long-term debt obligations. This amount represents capital leases used for financing ambulance and equipment. The last payment for this debt will be made in year end June 30, 2007. Details of these debt instruments are in Note 8 of the financial statements

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The DeSoto Parish Ambulance Service District's management considered many factors when setting the fiscal year June 30, 2007 budget. Revenue amounts available for appropriation in the governmental funds are expected to be relatively the same as 2006. Expenditures for 2007 are expected to be flat overall. Large capital outlay purchases are expected to remain the same; however increases, salaries, wages, and benefits will contribute to increased expenditures.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens and taxpayers with a general overview of the finances for those funds maintained by the DeSoto Parish Ambulance Service District and to show the DeSoto Parish Ambulance Service District's accountability for the money it receives. If there are any questions about this report or additional financial information is needed, contact the Director at P. O. Box 863, Mansfield, Louisiana, 71052.

## **Basic Financial Statements**

## **Government-Wide Financial Statements**

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
**d/b/a DeSoto EMS**  
**Logansport, Mansfield, & Stonewall, Louisiana**  
**STATEMENT OF NET ASSETS**  
**For the Year Ended June 30, 2006**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 553,478
Restricted cash	4,253
Ambulance service receivables, net of allowance for collectibles (note 6)	209,161
Ad valorem taxes receivable	24,658
Prepaid insurance	6,739
Other receivables	5,300
Bond issuance cost (net)	83
Capital assets (net) (Note 4)	<u>221,869</u>
<b>TOTAL ASSETS</b>	<b>\$ 1,025,551</b>
<b>LIABILITIES</b>	
Accounts, salaries, and other payables	\$ 12,617
Capital leases payable	<u>31,442</u>
<b>TOTAL LIABILITIES</b>	<b>\$ 44,059</b>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	\$ 190,427
Unrestricted	<u>791,065</u>
<b>TOTAL NET ASSETS</b>	<b>\$ 981,492</b>

The accompanying notes are an integral part of the financial statements.

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**

d/b/a DeSoto EMS

Logansport, Mansfield, &amp; Stonewall, Louisiana

**STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2006

	Expenses	Program Revenues			Net (Expenses) Revenues and Change in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Public Safety	\$ 1,113,769	\$ 493,573	\$ 14,625	\$ 1,000	\$ (604,571)
Administrative	94,008	20,000			(74,008)
Total Governmental Activities	<u>1,207,777</u>	<u>513,573</u>	<u>14,625</u>	<u>1,000</u>	<u>(678,579)</u>
Ad Valorem Taxes					722,739
Interest Earnings					17,713
Other Revenue					<u>14,345</u>
Total General Revenues					754,797
Change in Net Assets					76,218
Net Assets Beginning					908,554
Prior period adjustment ad valorem taxes receivables					<u>(3,280)</u>
Net Assets Ending					<u>\$ 981,492</u>

The accompanying notes are an integral part of the financial statements.

## **Fund Financial Statements**



**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
**d/b/a DeSoto EMS**  
**Logansport, Mansfield, & Stonewall, Louisiana**  
**BALANCE SHEET, GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2006**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 553,480
Restricted cash	4,253
Ambulance service receivables, net of allowance for collectibles	209,161
Ad valorem taxes receivable	24,858
Other receivables	5,300
Prepaid Insurance	<u>6,739</u>
<b>TOTAL ASSETS</b>	<b>\$ 803,591</b>
<b>LIABILITIES AND FUND BALANCES</b>	
<b>Liabilities:</b>	
Accounts, salaries, and other payables	\$ 12,619
Deferred ad valorem revenue	<u>24,561</u>
<b>Total Liabilities</b>	<u>37,180</u>
<b>Fund Balances:</b>	
Reserved for debt service	4,253
Unreserved, reported in:	
General fund	<u>762,158</u>
<b>Total Fund Balances</b>	<u>766,411</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 803,591</b>

The accompanying notes are an integral part of the financial statements.

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
**d/b/a DeSoto EMS**  
**Logansport, Mansfield, & Stonewall, Louisiana**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS**  
**For the Year Ended June 30, 2006**

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund Balances, Total Governmental Funds, Statement C	\$ 766,411
Bond issuance costs less amortization reported in Statement of Activities	93
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the government funds	221,869
Long-term liabilities, including long-term compensated absences, are not due and payable in the current period and therefore are not reported in the funds	(31,442)
Deferred revenues are reported in governmental funds, but not in Statement of Activities	<u>24,561</u>
Net Assets of Governmental Activities, Statement A	<u>\$ 981,492</u>

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
**d/b/a DeSoto EMS**  
**Logansport, Mansfield, & Stonewall, Louisiana**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2006**

	<u>General Fund</u>
<b>Revenues:</b>	
Taxes:	
Ad valorem	\$ 712,631
Ad valorem interest	885
Net Ambulance Service Charges	493,573
Intergovernmental:	
Federal grant	14,625
Investment earnings	17,713
Other Revenues	<u>35,345</u>
Total Revenues	<u>1,274,572</u>
 <b>Expenditures:</b>	
Current:	
Administrative	85,079
Public safety	874,098
Operations	119,895
Occupancy	20,391
Debt Service	
Principle	112,157
Interest	6,178
Capital Outlay	<u>114,521</u>
Total Expenditures	<u>1,332,319</u>
 <b>Excess (Deficiency) of Revenues over Expenditures</b>	 <u>(57,747)</u>
  Fund balances, beginning of year	  842,576
Prior period adjustment for deferred revenues	<u>(18,418)</u>
Fund balances, end of year	<u>\$ 766,411</u>

The accompanying notes are an integral part of the financial statements.

**DeSoto Parish Ambulance Service District**  
**d/b/a DeSoto EMS**  
**Logansport, Mansfield, & Stonewall, Louisiana**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2006**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds, Statement E	\$ (57,747)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of (\$101,021) exceeded the capital outlays (\$114,521) in the current period.	13,500
Because of timing of actual receipt, some revenues are not considered "available" to pay current obligations and are not reported in the governmental funds. They are, however, reported in the Statement of Activities Increase in deferred revenues	9,423
The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayments of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statements of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items	
Principle payments on debt	112,157
Bond issuance costs amortization	<u>(1,115)</u>
Change in Net Assets of Governmental Activities, Statement B	<u>\$ 76,218</u>

## Notes to the Financial Statements

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
**d/b/a DeSoto EMS**  
**Logansport, Mansfield, & Stonewall, Louisiana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year End June 30, 2006**

**INTRODUCTION**

The Desoto Parish Ambulance Service District was created by a parish resolution July 12, 2000. The District is comprised of all the territory located within the Parish of DeSoto. The District does business as DeSoto EMS. The District is governed by a Board of Commissioners who are appointed by the DeSoto Parish Police Jury. The Board of Commissioners received no compensation during 2005-2006. The purpose of the District is to provide ambulance service for the transportation of persons which necessitate ambulance care and for providing related services. The DeSoto EMS averages 16 fulltime employees and 39 part-time employees.

**1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

GASB Statement No. 14 *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the DeSoto Parish Ambulance Service District is considered a component unit of the DeSoto Parish Policy Jury. The Policy Jury is financially accountable for the District because it appoints or ratifies a voting majority of the board and has the ability to impose its will on them.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Policy Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**B. Government-Wide and Fund Financial Statements**

The DeSoto Parish Ambulance Service District's basic financial statements include both government-wide (reporting the funds maintained by the DeSoto Parish Ambulance Service District as a whole) and fund financial statements (reporting the DeSoto parish Ambulance Service District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The DeSoto Parish Ambulance Service District's general fund is classified as governmental activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The DeSoto Parish Ambulance Service District does not have any business-type activities.

In the government-wide Statement of Net Assets, the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables. The DeSoto Parish Ambulance Service District's net assets are reported in two parts – invested in capital assets (net of related debt), and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the DeSoto Parish Ambulance Service District's functions. The functions are supported by program revenues and general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by any related program revenues, which must be directly associated with the function. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Program revenues of the District consist of ambulance fees billed to insurance companies and individuals. The net costs (by function) are normally covered by general revenues.

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
d/b/a DeSoto EMS  
Logansport, Mansfield, & Stonewall, Louisiana  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year End June 30, 2006

**1. Summary of Significant Accounting Policies (continued)**

**B. Government-Wide and Fund Financial Statements (continued)**

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The DeSoto Parish Ambulance Service District reports the following governmental fund:

- a. The General fund is the general operating fund of the Desoto Parish Ambulance Service District. The fund is used to account for all financial resources except those required to be accounted for in another fund.

Amounts reported as program revenues include 1) charges to customer applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. General revenues include all taxes, interest earnings, and other revenue.

**C. Budgets**

The District uses the following budget practices:

A budget for the ensuing year is prepared prior to June 30 of each year and is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The proposed budget is prepared on the cash basis of accounting. The budget is established and controlled by the board of commissioners at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners. There was one budget amendment during the year ended June 30, 2006, which is reflected in the budgetary comparison schedule.

**D. Cash, Cash Equivalents, and Investments**

Cash includes amounts in petty cash, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or money market accounts with state banks organized under Louisiana law or any other state of the United States or under the laws of the United States.

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are carried at cost which approximates market.

# **DESOTO PARISH AMBULANCE SERVICE DISTRICT**

**d/b/a DeSoto EMS**

**Logansport, Mansfield, & Stonewall, Louisiana**

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the Year End June 30, 2006**

### **1. Summary of Significant Accounting Policies (continued)**

#### **E. Capital Assets**

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	25 - 40 years
Ambulances	5 - 7 years
Equipment	5 - 10 years

#### **F. Long-term Debt**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of the debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### **G. Compensated Absences**

After one year of service, all regular, full-time employees are granted three 24-hour shifts or 42 hours (dispatch) of vacation leave each year. After two years the employees are granted four 24-hour shifts or 60 hours (dispatch) of paid vacation. With 5 years-plus continuous service with the Desoto Parish Ambulance Service District, employees are granted six 24-hour shifts and 84 hours (dispatch) of vacation each year. Sick leave will accumulate for full-time employees at a rate of 4 hours per pay period to be used after one year of service. Under GASB Statement No. 16 guidelines compensated absences for sick pay are not recorded in the financial statements.

#### **H. Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

#### **I. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

#### **J. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.



**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
**d/b/a DeSoto EMS**  
**Logansport, Mansfield, & Stonewall, Louisiana**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year End June 30, 2006**

**2. Cash and Cash Equivalents**

At June 30, 2006, the District has cash and cash equivalents (book balances) totaling \$557,731 in interest bearing demand deposits which includes unrestricted cash of \$553,478 and \$4,253 in restricted cash.

These deposits are stated at cost which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a custodial bank that is mutually acceptable to both parties. At June 30, 2006, the District has \$671,289 in deposits (collected bank balances). These deposits are secured from risk by \$300,000 of federal deposit insurance and \$1,323,864 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

**3. Levied Taxes**

The DeSoto Parish Ambulance Service District was authorized an ad valorem tax millage of 4.0 mills and levied taxes of 4.0 mills for 2005. This tax is for the purpose of paying the cost of providing ambulance service in the parish and is for a period of ten years beginning with the year 2001 and ending with the year 2010. The property tax calendar is as follows:

Assessment date	January 1, 2005
Levy date	June 30, 2005
Tax bills mailed	October 15, 2005
Total taxes due	December 31, 2005
Penalties & interest added	January 31, 2006
Tax sale	May 15, 2006

Total assessed value was \$217,829,703 in 2005. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$34,462,705 of the assessed value in 2005. The EMS adjusted ad valorem tax revenue was \$713,317. The following are the principal taxpayers for the parish (2005 amounts):

In thousands			
Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
International Paper Co.	Manufacturing	\$33,589	15.47%
Central La. Electric Co.	Utility	28,401	13.06%
Southwestern Electric	Utility	27,011	12.44%
		<u>89,001</u>	<u>40.99%</u>

Ad valorem taxes receivable at June 30, 2006 is \$24,658.

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**

d/b/a DeSoto EMS

Logansport, Mansfield, &amp; Stonewall, Louisiana

**NOTES TO THE FINANCIAL STATEMENTS**

For the Year End June 30, 2006

**4. Capital Assets**

Capital asset activity for the year ended June 30, 2006 was as follows:

Governmental Activities:	Balance 6/30/2005	Additions	Reclassifications/ Deductions	Balance 6/30/2006
Capital assets, being depreciated				
Ambulances	\$ 443,266	\$ 78,169	\$	\$ 521,435
Equipment				
Medical	56,118			56,118
Communications	19,470	9,306		28,776
Other		21,939		21,939
Leasehold improvements	4,050	2,368		6,418
Billing software	3,995	2,739		6,734
Total capital assets, being depreciated	\$ 526,899	\$ 114,521	\$ 0	\$ 641,420
Less accumulated depreciation for				
Ambulances	\$ 290,466	\$ 84,187	\$	\$ 374,653
Equipment				0
Medical	20,400	10,931	488	31,819
Communications	5,764	3,547	(488)	8,823
Other		446		446
Leasehold improvements	102	274		376
Billing software	1,798	1,636		3,434
Total accumulated depreciation	318,530	101,021	0	419,550
Total Capital assets being depreciated, net	\$ 208,369			\$ 221,870

Depreciation expense for the year ended June 30, 2006 was \$101,021. In the Statement of Activities, \$99,385 was included in public safety and \$1,636 was in administration.

**5. Pension Plan**

*Plan description.* Full-time employees (approximately 16) of the DeSoto Parish Ambulance Service District are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the District are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, after age 55 with at least 25 years of creditable service, or at any age with at least 30 year of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to 1% of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**

d/b/a DeSoto EMS

Logansport, Mansfield, &amp; Stonewall, Louisiana

**NOTES TO THE FINANCIAL STATEMENTS**

For the Year End June 30, 2006

**5. Pension Plan (continued)**

Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619 or by calling (504) 928-1361.

*Funding Policy.* Under Plan A, members are required by state statute to contribute 9.5 % of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 12.75% of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the District are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation for the prior fiscal year. The District was accepted into the Plan on January 1, 2003. The District's contributions for the years ending June 30, 2006 and 2005 were \$54,999 and \$48,139.

**6. Net Ambulance Service Charges/Receivables**

Net ambulance service charges for year ended June 30, 2006 are as follows:

Ambulance service charges and fees	\$	1,749,638
Less contractual adjustments and write offs		(1,256,065)
Net ambulance service charges and fees	\$	<u>493,573</u>

The receivable consists of \$209,161 due from Insurance and Medicare/Medicaid for ambulance services provided. The insurance companies only pay a percentage of the billings and the unpaid balance is recorded as a contractual adjustments. Write-offs consist of DeSoto Parish private pay not required to pay for services and out-of-parish residents who have been identified as nonpaying.

**7. Risk Management**

The DeSoto Parish Ambulance Service District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and injuries to employees. To handle such risks of loss, the EMS maintains commercial insurance policies covering: automobile liability, medical payments, uninsured motorist and collision, health insurance providing 100 percent coverage for any employee injured while on the job; and surety bond coverage. No claims were paid on any of the policies during the past year that exceeded the policies' coverage amounts. In addition to the above policies, the District also maintains a liability insurance policy with the Louisiana Ambulance Service Districts' Risk Management Program. No claim has been paid on the policy during the past year nor is the District aware of any unfilled claims.

**8. Long-Term Debt**

The following is a summary of the long-term obligation transactions during the year:

	Capital Leases	Bonded Debt	Total
Long-term obligations payable, July 1, 2005	\$ 61,599	\$ 82,000	\$ 143,599
Additions			0
Deductions	(30,157)	(82,000)	(112,157)
Long-term obligations payable, June 30, 2006	<u>\$ 31,442</u>	<u>\$ 0</u>	<u>\$ 31,442</u>
Amounts due within one year	<u>\$ 31,442</u>	<u>\$ 0</u>	<u>\$ 31,442</u>

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**

**d/b/a DeSoto EMS**

**Logansport, Mansfield, & Stonewall, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year End June 30, 2006**

**8. Long-Term Debt (continued)**

The capital leases are described as follows:

Capital lease for \$51,000 dated June 17, 2003, with Kansas State Bank of Manhattan, to purchase cardiac monitors and defibrillators, five annual payments due in June at 5.85% 10,762

Capital lease for \$81,286 dated April 19, 2004 with Hibernia National Bank to purchase an ambulance, 4 annual payments due in April at 3.45%.  
\$ 20,680  
31,442

Bonded debt is comprised of Certificate of Indebtedness, Series, 2001, for \$370,000 dated August 23, 2002, collateralized by ad valorem taxes, and paid in five annual installments due in March at 4.33%. This bonded debt was paid in full by June 30, 2006. The District maintains a sinking fund for the bond issue and is required to deposit the first revenues of the ad valorem tax collections received until the sum equals the principal and interest falling due in the calendar year. The principal and interest requirements are as follows:

Year end June 30,	Capital Leases
2007	<u>32,071</u>
\$	<u>32,071</u>

**9. Operating Lease**

The EMS rents a building in Mansfield and in Logansport, Louisiana for two of its stations. The lease is on a yearly renewal basis. Lease payments for year end June 30, 2006 were \$5,150 for the Mansfield location and \$5,500 for the Logansport location.

**10. Litigation and Claims**

At June 30, 2006, the Desoto Parish Ambulance Service District was not involved in any litigation nor was aware of any unasserted claims.

**11. Compensation Paid Board Members**

The Board members were not compensated during the year ended June 30, 2006.

## **Required Supplemental Information (Part II)**

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**

d/b/a Desoto EMS

Logansport, Mansfield, &amp; Stonewall, Louisiana

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
(MODIFIED CASH BASIS) GENERAL FUND (MAJOR GOVERNMENTAL FUNDS)**

For the Year Ended June 30, 2006

	Budgeted Amounts		Actual	Budget to Actual Positive(Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Taxes:</b>				
Ad valorem	\$ 676,700	\$ 699,998	\$ 712,631	\$ 12,633
Ambulance Service Charges	470,000	495,002	493,573	(1,429)
Federal grant	0	14,628	14,625	3
Other Revenues	4,000	36,002	53,743	15,741
<b>Total Revenues</b>	<b>1,150,700</b>	<b>1,247,830</b>	<b>1,274,572</b>	<b>26,942</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Administrative	91,300	91,798	85,079	6,719
Public safety	821,200	839,698	874,098	(34,400)
Operations	71,400	113,898	119,895	(5,997)
Occupancy	18,500	20,498	20,391	107
Debt Service	117,800	117,800	118,335	(535)
Capital Outlay	30,500	130,566	114,521	16,045
<b>Total Expenditures</b>	<b>1,150,700</b>	<b>1,314,258</b>	<b>1,332,319</b>	<b>(18,061)</b>
<b>Excess of Revenues over Expenditures</b>	<b>0</b>	<b>(66,628)</b>	<b>(57,747)</b>	<b>8,881</b>
<b>Other Financing Sources (Uses)</b>				
<b>Net Change in Fund Balance</b>		<b>(66,628)</b>	<b>(57,747)</b>	<b>8,881</b>
<b>Fund Balances (Deficit) at Beginning of Year</b>			842,576	
Prior period adjustment for deferred revenues			(18,418)	
<b>Fund Balances (Deficit) at End of Year</b>			<b>\$ 768,411</b>	

The accompanying notes are an integral part of the financial statements.

## Other Reports

**OTHER REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS  
AND THE LOUISIANA GOVERNMENTAL AUDIT GUIDE**

The following independent auditor's report on compliance and internal control over financial reporting is presented in compliance with requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



**WILLIAM E. WEATHERFORD, CPA, LLC**  
CERTIFIED PUBLIC ACCOUNTANT

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Bryant Yopp, Chairman  
and the Board of Commissioners  
DeSoto Parish Ambulance Service District  
d/b/a DeSoto EMS  
Mansfield, Louisiana

I have audited the accompanying financial statements of the governmental activities and the major fund of the DeSoto Parish Ambulance Service District (d/b/a DeSoto EMS), Mansfield, Louisiana, as of and for the year ended June 30, 2006, which collectively comprise the DeSoto Parish Ambulance Service District's basic financial statements and have issued my report thereon dated December 29, 2006. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the DeSoto Parish Ambulance Service District's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the DeSoto Parish Ambulance Service District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

POST OFFICE BOX 5946, SHREVEPORT, LA 71135  
PHONE: 318-798-1978 FAX: 318-798-1917

This report is intended solely for the information and use of the DeSoto Parish Ambulance Service District, management, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this restriction is not intended to limit the distribution of this report, which is a matter of public record and is distributed by the Legislative Auditor under Louisiana Revised Statute 24:513.

*William E. Weatherford, CPA, LLC*

William E. Weatherford, CPA, LLC  
Certified Public Accountant  
Shreveport, Louisiana  
December 29, 2006

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
d/b/a DeSoto EMS  
Logansport, Mansfield & Stonewall, Louisiana  
**SCHEDULE OF FINDINGS& QUESTIONED COST**  
For the Year Ended June 30, 2006

**Section I - Summary of Auditor's Results**

**Financial Statements:**

Type of auditor's report issued		<u>Unqualified</u>	
Internal control over financial reporting:			
Material weakness(es) identified?	_____ Yes	_____ <u>X</u> _____	No
Reportable condition(s) identified not considered to be material weakness(es)?	_____ Yes	_____ <u>X</u> _____	No
Noncompliance material to the financial statements noted?	_____ Yes	_____ <u>X</u> _____	No

**Section II - Financial Statement Findings & Questioned Cost**

None

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
d/b/a DeSoto EMS  
Logansport, Mansfield & Stonewall, Louisiana  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
For the Year Ended June 30, 2008

**FINDINGS RELATED TO COMPLIANCE**

**Item 04-1**

**Condition:**

The financial statement audit report for the period ending June 30, 2005 was filed with the Legislative Auditor after December 31, 2005.

**Status:**

Resolved.